Announcements made at Dabolim Airport in Goa

176. SHRI JOHN F. FERNANDES: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether Government arc aware of the fact that no announcements arc made at Dabolim Airport in Goa in the State's official regional language by various airlines, including Air India and Indian Airlines, which is contrary to practice at other airports in the country; and

(b) if so, what arc the reasons and what steps arc contemplated to do away with this discrepancy?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) and (b) At Goa airport, Indian Airlines staff handle both Indian Airlines and Air India flights. At present, Ground announcements relating to Air India/ Indian Airliens flights arc being done in English, Hindi and Konkani languages.

Lapsed L.I.C. Policies

177. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a large number of LIC policies have lapsed within a short period of execution of such policies;

(b) what are the reasons therefor and what action has been taken in this regard;

(c) what has been the specific role of LIC officials and agents in the procurement of these policies which have lapsed without rendering useful service to the policy holders; and

(d) to what extent LIC's Development Officers or insurance agents get bonus/ incentive/commission on such policies, irrespective of the fact that the policies have lapsed within a short period?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL): (a) to (d) Lapsation in life insurance business is a common phenomenon. Corporation's experience of lapsation of life insurance business expressed as percentage of net lapses to mean life insurance business in force has been more or less uniform around 6% over the last five years.

There are a number of reasons for lapsation of policies, the more important of them being—(i) life insurance policies being long-term contracts, the insures may not be able to sustain the continuous payment of policy premium; (ii) more attractive avenues of investment/saving available to the insures may lead to switching over from life insurance policies to other investments; (iii) low literacy level; (iv) low insurance consciousness; and (v) occasional over-selling of policies by agency force.

In order to reduce the incidence of lapsation, the LIC send notices well before the due dates of premium and allow grace periods for payment of premium, beyond the due date. If the premium remains unpaid for three months beyond the due date a Default Notice is sent. A final notice is sent intimating the lapsation of policy and advising the policy holder to revive the same under various Revival Schemes of LIC. The Development Officers and Agents of LIC are regularly given the list of the lapsed policies to enable them to personally meet the policy holders and help them revive the policies. Special Revival Campaigns arc also floated periodically through advertisements in local news papers and display of banners.

Commission to agents is paid on the basis of premium collected. Incentive payments to Developement Officers are based on first year premium income adjusted downward for paid premium *on* policies sold in the earlier year but lapsing within first policy year.

Potential of Textile Industry

178. SHRI BHAGABAN MAJHI: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that potential of textile industry in the country has not been fully tapped, and